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# Checklist On Agency Agreements In Latin America

by Henry T. King, Jr.\*

## I. INTRODUCTION

**F**ACED WITH A substantial trade deficit, the United States is presently increasing its exports to many areas of the world, particularly Latin America. Incident to this export drive by American firms is an increase in agreements with agents and distributors in Latin America. In Latin America this is tricky ground and it is better to review matters thoroughly beforehand in light of that area's legal framework covering principal-agent relationships than to enter into agreements and review legal matters afterwards. Of all regions in the world, Latin America is one of the most protective of local interests in the context of agency agreements. With this in mind, it seems best to establish a checklist of points which should be kept in mind before entry into such agreements:

## II. CHECKLIST ON AGENCY AGREEMENTS

1. *Choice of Law Clauses.* As a matter of first instance, choice of law clauses are generally invalid throughout Latin America. Local law will usually govern the contract. In most Latin American countries the existing legislation as to the application of local law is most specific and there is no opportunity for the participants in a contract to deviate from it.<sup>1</sup>

2. *The Local Law Governing the Relationship.* In most countries of Latin America the relationship with an agent or distributor is governed by the civil and commercial codes. Where termination of the relationship is concerned, special law may apply. This is certainly true in the Dominican Republic, Ecuador, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.<sup>2</sup>

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<sup>1</sup> See app. A.

<sup>2</sup> See, e.g., Agent Distributor Protection Law, No. 173 of Apr. 6, 1966, [1966] 8979 Gaceta Oficial [G.O.] 29, as amended by Law No. 263 of Dec. 31, 1971, [1971] 9262 G.O. 44, Law No. 622 of Dec. 28, 1973, [1973] 9325 G.O. 1, and Law No. 664 of Sept. 21, 1977, [1977] 9449 G.O. 5 (Dom. Rep.); Agency Law of Guatemala, [1971] Decree No. 78-71 of Sept. 25, 1971 (Guat.); Agency Law of El Salvador, [1973] Decree No. 247 of Jan. 9, 1973 (El Sal.) (which amended Decree No. 671 of Jan. 1, 1971).

3. *The Effect of Labor Law on the Contract.* A key question in any analysis of the applicable law to an agency or distribution contract is whether labor laws may affect the contract. One must first determine whether the agent or distributor is an individual or a company since certain labor laws are applicable only to one or the other. For example, labor laws in Argentina<sup>3</sup> and Mexico<sup>4</sup> are applicable only where the agent or distributor is a natural person. Labor laws affect agency relationships in Dominican Republic, Guatemala, Haiti, Mexico, and Venezuela.<sup>5</sup> In some countries, where a corporation is the subject of the agency relationship, the labor laws will not apply to the company, but will protect the employees of the company. This is the case in Guatemala and the Dominican Republic where the principal is liable to the agent for all labor law compensation claims of dismissed employees of the agent that may result from the termination of the agency relationship.<sup>6</sup>

4. *Applicability of Laws to Agents and Distributors.* It is also important to ascertain whether certain laws apply to an agent as against a distributor, or vice versa. For example, in Brazil, Mexico, and Haiti, there are laws which cover only agents.<sup>7</sup> In Argentina, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, and Puerto Rico, distributors and agents alike are treated under the protective legislation governing contractual arrangements with foreign principals.<sup>8</sup>

5. *Regulation of Contract Clauses.* Brazil, Colombia, and Haiti are among the Latin American nations which regulate contract clauses.<sup>9</sup> In Brazil, for instance, principal-agent contracts are governed by Law No. 4,886 of December 9, 1965. This law is quite specific with regard to certain provisions which must be included in a principal-agent contract:

- a) the general terms and requirements of the representation;
- b) generic or specific indication of the products or articles covered by

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<sup>3</sup> See Labor Law of Argentina, Law No. 11,544 of 1929, [1929] C. Anales (Arg.) as amended by successive laws and decrees, particularly Law No. 14,546 of 1958, [1958] C. Anales (Arg.), which extends labor law benefits to business agents. For discussion of these and other laws, see ARTHUR ANDERSEN & CO., TAX AND TRADE GUIDE: ARGENTINA (2d ed. 1973). See also S.V. LINARES QUINTANA, LEYES DECRETO Y RESOLUCIONES DE TRABAJO 211.

<sup>4</sup> Federal Labor Law, art. 285, [1970] Diario Oficial[D.O.], Apr. 1, 1970 (Mex.).

<sup>5</sup> See, e.g., Labor Code, Law No. 2920 of June 11, 1951, [1951] 7309 bis G.O. 3 (Dom. Rep.). For a discussion of this and other laws as they are applied in the Dominican Republic, see Heredia Bonetti & Letterman, *Business Operations in the Dominican Republic*, [1979] 307-2d TAX MNGM'T (BNA) (foreign income). See also app. A.

<sup>6</sup> Agency Law of Guatemala, art. 9, [1971] Decree No. 78-71 of Sept. 25, 1971 (Guat.).

<sup>7</sup> See, e.g., Agency Law of Brazil, [1965] Law No. 4,886 of Dec. 9, 1965 (Braz.).

<sup>8</sup> See, e.g., Agency Law of Colombia, [1971] Decree No. 410 of Mar. 27, 1971 (Colom.); Agency Law of Costa Rica, [1970] Law No. 6209 of Dec. 4, 1970 (C.R.); Agency Law of Puerto Rico, [1964] Law No. 75 of June 24, 1964 (P.R.), as amended by Law No. 105 of June 4, 1966 (P.R.).

<sup>9</sup> Also included are Bolivia and Guatemala. See app. A.

the representation;

- c) specified or indefinite term of representation;
- d) indication of the zone or zones covered by the representation, as well as whether or not the principal would be allowed to do business there directly;
- e) indication of whether or not there is any guarantee, partial or total, or for a specified period, granting exclusive rights to the zone, or sector thereof;
- f) the remuneration, and term for payment of same, for performance of the representation, depending on the completion of transactions, and on the receipt or non-receipt of the respective amounts;
- g) cases which would justify restriction of the zone granted on an exclusive basis;
- h) obligations and responsibilities of the contracting parties;
- i) whether or not the representation is exercised in favor of the principal on an exclusive basis;
- j) indemnification payable to the representative on account of termination of the agreement, aside from the cases referred to in Article 34, the amount of which shall not be less than one twentieth (1/20) of the total annual remuneration received during the time the representation was exercised, following the effective date of this law.<sup>10</sup>

In Colombia the agency contract must provide for:

- a) the scope of the agent's authority or power;
- b) the agent's field of activity;
- c) the duration of the contract; and
- d) the territory of the agency.<sup>11</sup>

Haitian law is also rather comprehensive, mandating that such provisions be included in the agreement.

6. *Exclusivity Requirement for Agency.* Another point to keep in mind is whether, under the provisions of the applicable law, the agency must be exclusive. In Bolivia, for example, an agent may not promote or carry on the same line of business for two or more competing principals, nor may a principal employ several agents in the same territory for the same line of goods.<sup>12</sup> In both cases, however, the contract may provide otherwise.

Under Colombian law, there arises a presumption of exclusivity, unless the agreement provides otherwise.<sup>13</sup>

7. *Requirement of Just Cause for Termination of or Refusal to Renew Contract.* Most Latin American countries require that there be just

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<sup>10</sup> Agency Law of Brazil, art. 27(a)-(j), [1965] Law No. 4,886 of Dec. 9, 1965 (Braz.).

<sup>11</sup> Agency Law of Colombia, art. 1320, [1971] Decree No. 410 of Mar. 27, 1971 (Colom.).

<sup>12</sup> See Agency Law of Bolivia, art. 1249, [1977] Law of Mar. 29, 1977 (Bol.).

<sup>13</sup> See Agency Law of Colombia, [1971] Decree No. 410 of Mar. 27, 1971 (Colom.).

cause for termination of an agency agreement.<sup>14</sup> In Argentina, however, there is no such requirement, but the terminating party may be liable for damages resulting from wrongful termination.<sup>15</sup>

In Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, and Puerto Rico, just cause is required for termination of the contract if there is to be no compensation for termination.<sup>16</sup> In some countries, such as Colombia, causes for termination of the agreement are specified by statute.<sup>17</sup> These causes might include, as they do in Colombia, the following:

- a) a breach by one party of his contractual or legal obligations to the other party;
- b) a party's act or default which results in serious damage to the other party's business;
- c) a party's insolvency or bankruptcy; and
- d) conduct on either party's part which amounts to liquidation or termination of the agency relationship.<sup>18</sup>

The laws of Bolivia, Guatemala, and El Salvador are also very specific as to what constitutes just cause for termination.<sup>19</sup> Such definitions must be carefully considered at the drafting stage of the agency agreement.

In addition to statutory mandates of just cause for termination of a contract, some countries require just cause for refusal to renew contracts. This is the case in the Dominican Republic, Costa Rica, Ecuador, El Salvador, Honduras, Panama, and Puerto Rico.<sup>20</sup> For example, under the Agency Law of the Dominican Republic just cause for a principal's refusal to renew (as well as for termination of an agency agreement) is defined as a breach by the agent of any of the essential obligations of the contract or any act or omission by the agent that causes adverse or substantial harm to the principal's interest.<sup>21</sup>

Nicaraguan law provides that just cause includes:

- a) any crime committed by the agent against the property or interests of the principal;

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<sup>14</sup> See app. A.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> See Agency Law of Colombia, art. 1325, [1971] Decree No. 410 of Mar. 27, 1971 (Colom.).

<sup>18</sup> *Id.*

<sup>19</sup> See, e.g., Agency Law of El Salvador, [1973] Decree No. 247 of Jan. 9, 1973 (El. Sal.); Agency Law of Bolivia, [1977] Law of Mar. 29, 1977 (Bol.).

<sup>20</sup> See app. A.

<sup>21</sup> See Agent Distributor Protection Law, art. 1(d), Law No. 173 of Apr. 6, 1966, [1966] 8979 G.O. 29 (Dom. Rep.), as amended.

- b) a continued reduction in the sale or distribution of the principal's products due to the negligence of the agent;
- c) any acts attributable to the agent which adversely affect the import, sale or distribution of the principal's products; or
- d) the bankruptcy of the agent.<sup>23</sup>

These statutory provisions emphasize the need for a principal to check out thoroughly any agent, with whom he proposes to enter into an agency agreement, as well as the local ground rules for the agreement.

8. *Requirement for Termination Notice.* There are a number of countries where the law requires that notice be given by one party to the other in order to terminate the contract without incurring any liability. Failure to give adequate notice may make the terminating party liable to compensate the other for those damages indicated by local law. Such notice is required in Argentina, Brazil, Chile, El Salvador, Haiti, Paraguay, and Venezuela.<sup>23</sup>

In Brazil, for example, fixed-term agreements terminate on the date contracted for.<sup>24</sup> Indefinite terms agreements are terminable without just cause only during the first six months of the contract term.<sup>25</sup> In all other cases, unless other provisions for termination have been agreed upon by the parties, service of notice prior to termination is obligatory if a principal is to avoid liability.<sup>26</sup> If the principal fails to serve such notice, compensation is due the agent, amounting to one-third of the agent's earnings accrued during the three months prior to termination.<sup>27</sup>

In Argentina, if the agent is a natural person, labor laws require the service of a termination notice any time prior to the actual termination date.<sup>28</sup> Should the principal not comply, he may be liable to the agent-employee for earnings that would have accrued during the remainder of the contract term. In all termination cases, except for those based on just cause, the agent is entitled to compensation amounting to one month's remuneration or commission for each year of service.<sup>29</sup>

9. *Agent's Damages for Unjust Termination.* Damages due the agent for unjust termination by the principal are almost invariably provided for by statute throughout Latin America. These damages may include earnings, commissions, and inventory and capital expenses. This is so in the Dominican Republic, Honduras, El Salvador, Guatemala, Ecua-

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<sup>23</sup> Agency Law of Nicaragua, [1972] Law No. 287 of Feb. 2, 1972 (Nic.).

<sup>24</sup> See app. A.

<sup>25</sup> Agency Law of Brazil, [1965] Law No. 4,886 of Dec. 9, 1965 (Braz.).

<sup>26</sup> *Id.* art. 34.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*

<sup>29</sup> See Labor Law of Argentina, Law No. 11,544 of 1929, [1929] C. Anales (Arg.), as amended.

<sup>30</sup> *Id.*

dor, Puerto Rico, and Venezuela.<sup>30</sup> For example, Guatemalan law provides that in the event of unjust termination by the principal, the agent may claim as compensation:

- a) the direct and promotional expenses incurred by the agent in carrying out the contract;
- b) the cost of all unrecoverable investments made by the agent pursuant to the contract;
- c) the value of any unsold but usable merchandise in the agent's possession;
- d) an amount equal to fifty percent of the gross profits that would have otherwise accrued to the agent had he been able to sell all the merchandise he had on hand at the time of termination;
- e) an amount equal to the total gross profits during the period the contract has run or during the previous three years, whichever is less; and
- f) all labor law indemnities due to the employees or laborers of the agent who are discharged by reason of the contract termination.<sup>31</sup>

In El Salvador, an agent whose representation is unjustly terminated, may claim:

- a) all unrecoverable expenses which he has incurred for the benefit of the agency;
- b) the value of the physical assets of the agency which have no alternative use, including equipment, fixtures, furniture, and implements;
- c) the value of any unsaleable merchandise, inventory, and accessories;
- d) an amount equal to his gross profits earned during the preceding three years of representation or during the lesser term of his employment; and
- e) the value of credit he has extended to purchasers of the principal's products.<sup>32</sup>

Finally, the Venezuelan labor law of November 3, 1947, as amended by Decree No. 123 of June, 1974, may entitle unjustly discharged agents to the same benefits as discharged employees. Furthermore, these rights may not be waived.<sup>33</sup> The law provides for compensation for wrongful or unjust dismissal, amounting to half of one month's salary (as of the termination date) for each year of employment, plus fifteen days wages for each year of employment. Severance pay may not exceed eight months'

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<sup>30</sup> See, e.g., Agency Law of Honduras, [1970] Decree No. 50 of Oct. 16, 1970 (Hon.); Labor Law of Venezuela, [1947] Nov. 3, 1947 (Ven.), as amended by Decree No. 123 of June 1974 (Ven.).

<sup>31</sup> Agency Law of Guatemala, [1971] Decree No. 78-71 of Sept. 25, 1971 (Guat.).

<sup>32</sup> Agency Law of El Salvador, [1973] Decree No. 247 of Jan. 9, 1973 (El Sal.).

<sup>33</sup> See Labor Law of Venezuela, [1947] Nov. 3, 1947 (Ven.), as amended by Decree No. 123 of June 1974 (Ven.).

wages.<sup>34</sup>

10. *Recovery of Damages to Goodwill.* Damages pertaining to goodwill are considered to comprise a category of agent's damages separate and distinct from those for unjust termination since some laws provide for recovery of the value of the goodwill created by the agent during the representation regardless of whether the agency relationship was terminated for "just cause" or not. Colombia, Ecuador, Dominican Republic, and Puerto Rico permit recovery for goodwill.<sup>35</sup>

11. *Possessory Lien for Damages.* In several Latin American countries, the agent may assert a possessory lien against any of the principal's goods until his claim for damages is adjudicated and satisfied. This is the case in Bolivia, Colombia, and Honduras.<sup>36</sup> For example, in Colombia, the agent has a lien against the principal's goods in his possession pending full payment of any compensation due him.<sup>37</sup>

12. *Waiver of Agents Rights.* In many, if not most, jurisdictions in Latin America, the agent may not waive his statutory right to claim compensation for unjust termination of the agreement, nor may he waive any other advantage established by the law in his favor. Laws in Argentina, Bolivia, Costa Rica, Dominican Republic, Ecuador, Honduras, Haiti, Puerto Rico, and Venezuela prohibit and invalidate all such waivers.<sup>38</sup>

For example, although under Costa Rica law the parties are generally free to determine the terms of their contract, a party may not waive any of the rights granted by law to the representative, distributory or manufacturer.<sup>39</sup> Labor laws in Haiti simply do not recognize waivers of legal rights.<sup>40</sup> Similarly, under Venezuelan labor law, any waiver by an individual agent is deemed invalid.<sup>41</sup>

13. *Sanctions Against Principal.* The unjustly dismissed agent may obtain a judicial or ministerial order prohibiting any importation of the former principal's goods into the country until the agent's claim is satisfied or settled. Such is the case in Costa Rica, El Salvador, and Honduras.<sup>42</sup>

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<sup>34</sup> *Id.*

<sup>35</sup> See, e.g., Agency Law of Colombia, [1971] Decree No. 410 of Mar. 27, 1971 (Colom.); Agency Law of Ecuador, [1976] Supreme Decree No. 1032-A of Dec. 31, 1976 (Ecu.); Agency Law of Puerto Rico, [1964] Law No. 75 of June 24, 1964 (P.R.), as amended by Law No. 105 of June 1966 (P.R.).

<sup>36</sup> See, e.g., Agency Law of Bolivia, art. 1256, [1977] Law of Mar. 29, 1977 (Bol.).

<sup>37</sup> See Agency Law of Colombia, [1971] Decree No. 410 of Mar. 27, 1971 (Colom.).

<sup>38</sup> See app. A.

<sup>39</sup> See Agency Law of Costa Rica, art. 7, [1970] Law No. 6209 of Dec. 4, 1970 (C.R.).

<sup>40</sup> See app. A.

<sup>41</sup> Labor Law of Venezuela, [1947] Nov. 3, 1947 of June 1974 (Ven.), as amended by Decree No. 123 of June 1974 (Ven.).

<sup>42</sup> See, e.g., Agency Law of El Salvador, art. 399(b), [1973] Decree No. 247 of Jan. 9, 1973 (El Sal.); Agency Law of Costa Rica, art. 9, [1970] Law No. 6209 of Dec. 4, 1970 (C.R.).



14. *Statutes of Limitation.* Statutes of limitations applicable to claims asserted on the basis of agency agreements vary from country to country. For example, in Colombia and Bolivia there are five-year statutes of limitations on agency agreements; in Honduras and Puerto Rico the period is three years; and in Costa Rica it is only two years.<sup>48</sup>

### III. DISPUTE SETTLEMENT

Arbitration proceedings, as a method of settling disputes, are not very common throughout Latin America. Resort must all too often be made to the courts. Latin American courts, however, are slow moving and do not perceptively afford an objective forum for foreign companies embroiled in disputes with local nationals. With this backdrop, a possible solution, particularly from the standpoint of the principal, would be to provide contractually for the settlement of disputes by arbitration, in the hope that the clause would be honored by the courts. It is fair to say that there is a better chance of enforcement of an arbitration clause if the arbitration proceeding is to be conducted in the country of the agent.

Some countries in Latin America are not willing to enforce arbitration awards rendered in other countries. It should be pointed out, however, that the Inter-American Convention on International Commercial Arbitration has become increasingly visible in Latin America, and a growing number of countries are subscribing to that Convention. The Convention, which promotes the reciprocal enforcement of arbitration awards by member countries, has been signed but not yet ratified by the United States. Some seven countries in Latin America, including Chile, Panama, Paraguay, Uruguay, Mexico, Costa Rica, and Honduras, have ratified the Convention. Mexico, in addition, is a signatory to the 1958 United Nations convention on the Enforcement of Foreign Arbitral Awards, as are Chile, Colombia, and Ecuador. One point that should be kept in mind in this connection is that, although parties to both conventions are committed to the enforcement of foreign arbitration awards, there are so-called public policy exceptions to this commitment. Where enforcement of an award is violative of the public policy of the country in which relief is being sought, that country may refrain from any action. This policy argument would be very useful to those governments which are particularly protective of their own native agents and are, thus, reluctant to enforce foreign arbitration awards.

The contractual arbitration clause is statutorily recognized as a valid and enforceable agreement in a preponderance of Latin American countries. Argentina, Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatamala, Nicaragua, Panama, Peru, Uruguay, and Venezuela expressly

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<sup>48</sup> See app. A.

recognize the validity of the arbitration clause in their respective codes of civil procedure or special laws.<sup>44</sup> All, with the exception of Venezuela, provide for various means of enforcement of such clauses. In several other countries, the courts and common law have upheld the validity of arbitration clauses, but have not specified any means of enforcement.

The presence of an arbitration clause is, in and of itself, ordinarily insufficient to bring a controversy to the attention of the arbitrators. The prevailing theory underlying arbitration in Latin America is that it is voluntarily entered into by the parties involved. Once the parties have consented to arbitration, they must make application in accordance with the applicable legal requirements. Ecuador's Law 735, which governs arbitration proceedings, represents an exception to the general rule. This law does not require that all parties voluntarily submit to arbitration. Rather, arbitration may be initiated upon the filing by either party of a demand to arbitrate.

After an award has been rendered, there arises the question of whether it can be appealed or set aside. Rights of appeal vary considerably between countries. In some Latin American countries, there can be appeals on the merits from arbitration awards even though the parties have tried to exclude the right to appeal. Most countries permit appeals as long as the parties did not contractually exclude them. The arbitration laws of Brazil, Colombia, and Peru contain extensive lists of grounds on which arbitration awards can be set aside. In a few countries, such as Mexico and Panama, the grounds for setting aside an award are very circumscribed.

With regard to local enforcement of foreign arbitration awards, a question which will invariably arise is whether the award was confirmed in the courts of the foreign country where it was rendered. If the award is raised to the level of a judicial judgment, the local courts will ordinarily recognize it. If the award was not judicially confirmed, the chances would be far less that it would be given credence in many judicial forums in Latin America.

The primary consideration in this checklist analysis of dispute settlement procedures is whether the country in which the agent is located is a part to either or both the United Nations or Inter-American Arbitration Conventions and thereby committed (subject to some exceptions) to enforce an arbitration award rendered in another country, which is a signatory to the conventions. Where two or more nations are involved, situs of the arbitration poses no obstacle to enforcement of a foreign arbitration decree. For example, Mexico and Chile are both parties to the United Nations convention and are, therefore, obligated to enforce each other's

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<sup>44</sup> *Id.*

arbitration decrees, even where their own citizens are concerned. If the country of the agent is not a party to either of the above conventions, then a second checkpoint is whether the country, of which the agent is a citizen, will only enforce an award rendered within its boundaries. A third checkpoint is whether, if the arbitration has to be conducted in the agent's country, that country will enforce an agreement to arbitrate future disputes. If so, that country's means of enforcement must be considered. Finally, determination must be made as to the finality to be accorded an arbitration award which is rendered in the country where it is to be enforced.

With respect to rules governing arbitration proceedings, reference may be made to the UNCITRAL rules, which are quite similar to the rules of the Inter-American Commercial Arbitration Commission (IACAC) and designate the AAA, ICC, or IACAC as the appointing authorities for the arbitrators. It may also be desirable to specify the place of the arbitration and the language to be used in the arbitration proceedings.

As an alternative to the UNCITRAL rules and particularly where the agent is a citizen of a country which is a signatory to the Inter-American Commercial Arbitration Convention, the principle might specify the rules of the IACAC as being applicable. If this is done, IACAC will act as the appointing authority. Again, it may be desirable to contractually provide for the number of arbitrators, the location of the arbitration, and the language to be used in the arbitration proceedings.

Latin American law pertaining to arbitration and judicial settlement of principal-agent disputes is a thicket, through which there are very few and largely untrod paths. It is probably advisable to try to settle matters with the agent or distributor without resort to the more pioneering approach of judicial or arbitration proceedings. In the last analysis, a contract, which fully takes into account local legal requirements and which recognizes the rights and obligations of both parties under local law, may be the best means of avoiding disputes and insuring that the question of third party disposition, either judicial or arbitral, never arises.

#### IV. CONCLUSION

The foregoing checklist should be useful in drafting agency contacts in Latin America. It is not intended as a substitute for the advice of local counsel. It can, however, be a point of reference in raising issues with local counsel. Used wisely, it can assist in the avoidance of difficulties at the outset of the contract so that a crisis situation later, after the positions of both agent and principal have become fixed, can be averted. This checklist is offered as preventive medicine, rather than a cure for trouble encountered after disagreements have developed.

Since the amount of money involved in disputes between principals

and agents is frequently substantial and since Latin American law is frequently one-sided in favor of native agents, one must enter into Latin American agency relationships with caution. The objective of this checklist has been to identify the major pitfalls which exist for a foreign principal in this difficult terrain. To the extent that such principals can so use this checklist, that objective has been achieved.

## APPENDIX

COUNTRY	RELATIONSHIP GOVERNED BY		DISTRIBUTORSHIPS INCLUDED	CONTRACT CLAUSES REGULATED	EXCLUSIVE AGENCY REQUIRED	CHOICE OF LAW CLAUSES		JUST CAUSE REQUIRED		REQUIRES TERMINATION NOTICE	AGENT'S DAMAGES FOR UNJUST TERMINATION			RECOVER FOR GOODWILL	LIEN FOR DAMAGES	AGENT'S RIGHT OF WAIVER INVALID	SALES PROHIBITED UNTIL AGENTS CLAIM SATISFIED	LABOR LAWS AFFECT CONTRACT	STATUTE OF LIMITATIONS
	GENERAL LAW AND CONTRACT	SPECIAL LAW				VALID	INVALID	FOR TERMINATION OF CONTRACT	FOR REFUSAL TO RENEW CONTRACT		EARNINGS OR COMMISSIONS	STOCK & PARTS	EQUIPMENT EXPENSES						
ARGENTINA	X		X				X			X	X					X			
BOLIVIA	X	X		X	X		X	X							X	X			5y
BRAZIL		X		X			X	X		X	X								
CHILE	X		X							X									
COLOMBIA	X		X	X	(2)		X	X			X			X	X				5y
COSTA RICA	X	X	X				X	X	X		X	X	X				X		2y
DOMINICAN REPUBLIC		X	X		(1)		X	X	X			X	X			X			
ECUADOR	X	X	X				X	X	X			X	X	X		X			
EL SALVADOR	X	X	X				X	X	X	X	X	X	X						
GUATEMALA	X	X	X	X	X			X			X	X	X						
HAITI	X	X		X						X	X								
HONDURAS	X	X	X				X	X	X		X	X			X	X	X		3y
MEXICO	X						X				X								
PANAMA	X	X	X				X	X	X		X	X			X	X	X		
PARAGUAY	X									X	X								
PUERTO RICO		X	X					X	X		X	X	X	X					3y
VENEZUELA	X	X	X		X		X	X	X	X	X	X	X	X		X		X	